working capital for agriculture and allied activities and a component for consumption. Moreover, all the new eligible borrowers including tenant farmers, oral lessees, share croppers and defaulters can be covered under KCC.

Guidelines by IRDA for unlimited insurance policies

2926. SHRI KARNENDU BHATTACHARJEE:
SHRI V. NARAYANASAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory and Development Authority (IRDA) is going to recommend the enhancement of FDI limit in Insurance Sector;

(b) if so, the details thereof;

(c) whether it is a fact that IRDA is likely to issue new guidelines for unlimited insurance policies;

(d) if so, the details thereof;

(e) whether it is also a fact that tariff of motor vehicle insurance is also going to be revised and fixed; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Insurance Regulatory and Development Authority (IRDA), in the context of constraints on domestic promoters in infusing capital to meet solvency requirements, has recommended increase in Foreign Direct Investment (FDI) to 49%.

(c) and (d) There is no product such as "unlimited insurance policy" though the third party motor insurance has an unlimited liability on insurance companies. There is no proposal with IRDA to issue new guidelines on third party motor insurance.

(e) and (f) IRDA has drawn up a draft road map for de-tariffing all segments of non-life insurance business including motor vehicle insurance *w.e.f.* 01.01.2007.